



STATE BOARD OF EQUALIZATION

October 3, 1952

Dear

Following our discussion on September 26 in this office concerning the application of the sales tax with respect to the sale of the Yacht "---"by --- Company, we have considered the matter further and discussed the problem with Mr. ---.

Although realizing that the sale of the yacht may be an unusual and nonrecurring type of sale, we remain of the opinion that it cannot be isolated from the other various sales made by the company and treated as an exempt occasional sale. Admittedly, the question of what a "series of sales" includes is difficult, but, as I pointed out at our discussion, there are several cases pending in which a similar question is involved. We have consistently taken the position that where a person or firm continually makes a variety of sales there is no basis to single out one specific sale merely because it has certain characteristics that the other sales do not have.

It is my understanding that the tax on the sale in question has not been paid nor has any deficiency determination as yet been levied on account of this transaction. We shall, therefore, cause such a determination to be levied and, of course, the company may petition for a redetermination and have a hearing before the Board if it desires.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:ph

cc: Los Angeles - Auditing

(While the rule in published annotation is still good, as to a yacht the result today would generally be a use tax on purchaser. See sections 6283 and 6294. See also section 6281. DJH 10/12/89)